

## PROJECT SHARE AND STATE FORM PARTNERSHIP

Project SHARE and the State of Rhode Island have entered into an agreement that allows SHARE the use of the state food commissary warehouse on the grounds of the Medical Center in Cranston, as a satellite food distribution center for all of Rhode Island. Included in the agreement, are all of the nonprofit organizations that are host sites.



State warehousemen and Governor Bruce Sundlun volunteered to help SHARE on distribution day. Left to right: Tony Mazzatta, Dick Herchel, Paul Cabral, Peter Burke, Gov. Sundlun, Brian Dexter, Terry McNamara, Supervisor and Bill DiGiulio.

Project SHARE (Self Help and Resource Exchange) is a nationwide network of neighborhood-based, self help food distribution and community building programs. A monthly membership fee of \$13 from participants, payable in cash or Food Stamps, enables the program to buy food direct from suppliers. Each month participants receive a food package valued at \$30. or more. In addition to the \$13. fee, members agree to perform two hours of community service each month.

The twenty-five Rhode Island SHARE programs were formerly using the SHARE-New England distribution center in Canton, Massachusetts. Each month, trucks and vans were sent to Canton on distribution day to pick up Rhode Island orders. This entailed substantial costs, money that could better be spent on expanding programs.

Officials in the departments of Administration and Human Services recognized SHARE as an exceptional resource for low and fixed income Rhode Islanders (the program however, is open to anyone wishing to participate). These two agencies worked with local host organizations and SHARE officials to hammer out a landmark agreement, the only one of its kind in the nationwide network.

Many months of negotiations came to fruition on Saturday, November 20, the November distribution day, when the first trucks rolled out of the state warehouse bound for their local Rhode Island projects.

## 1993 SECA SCORES 13% INCREASE



Reaching for  
the future

1993  
SECA  
The Rhode Island State  
Employee Charitable Appeal

The 1993 State Employees Charitable Appeal raised \$568,000 — a 13% increase over 1992. Coming on top of 14% increase in 1992, this represents a significant expression of the generosity of state workers, and their commitment to their communities and their fellow citizens. Under the leadership of Campaign Chairman Dr. Americo

Petrocelli, Commissioner of Higher Education, volunteers in every department and agency appealed to their coworkers enthusiastically and persuasively, making a strong case for giving. So many outstanding campaigns deserve recognition; a list of those achieving double digit increases appears below.

Adjutant General's Office — 34%; Emergency Management Agency — 121%; State Fire Marshall — 132%; General Treasurer's office — 117%; Governor's office — 22%; Secretary of State's office — 21%; Department of Administration — 14%; Department of Children, Youths and Families — 18%; Department of Employment & Training — 18%; Department of Health — 10%; Department of Human Services — 17%; Department of Labor — 13%; Department of Mental Health, Retardation and Hospitals — 22%; Department of State Library Services — 24%; Department of Substance Abuse — 35%; Department of Transportation — 9% (with 300 fewer employees); Atomic Energy Commission — 72%; Higher Education Assistance Authority — 30%; Narragansett Bay Coalition — 27%; University of Rhode Island — 27%.

Spearheading the effort were the Loaned Executives — state employees selected by their Directors for their leadership abilities who serve as SECA "ambassadors", bringing the campaign to each and every corner of the state workforce. This year's team included: Pat Chamard-Chick (D.E.T.), Andrew DiGiulio (D.O.C.), Brenda DiPaolo (D.O.H.), Tom Dorazio (Supreme Court), John Garrick (D.E.M.), Manny Thetonia (D.E.T.).

Commissioner Petrocelli said, "I am proud of the contributions of the state employees. They truly lived up to this year's motto — 'We are State Employees, and we care'".

A heartfelt thanks to everyone who pledged and to everyone who volunteered their time; you have brought help and hope to thousands of people in need.





## FROM THE OFFICE OF THE GOVERNOR

### Executive Orders

No. Date Subject

93-25 11-11-93 Establishes the Rhode Island Commission for National and Community Service to advise and assist in the development of a statewide plan for promoting volunteer involvement to solve community and state problems, and address many of the country's unmet social, environmental, educational and public safety needs.

For more information or copies of Executive Orders, call the Office of the Executive Counsel, 277-2080, Ext. 258.



*The Department of Environmental Management running teams participated in the Downtown 5K held in Providence last fall. The Women's Team finished 20th out of 45 teams participating, with an average time of 28 minutes.*

*The Men's Team finished 14th out of 46 teams, with an average time of 20 minutes 36 seconds.*

### pRide

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## EMPLOYEE BENEFIT ISSUES

by Brian E. Keeler  
Chief of Employee Benefits

You have probably heard about the president of the California Bar Association asking people to stop telling attorney jokes. Whatever we may think of lawyers, the fact remains that there are times when we need legal advice or representation to set our mind at ease or get us out of a jam.

Many people don't see attorneys because they fear the possibility of huge legal fees, or perhaps they don't know which attorney is capable of handling their problem. We recognize that state employees have concerns about legal needs and offer a Pre Paid Legal Plan to help.

### OPEN ENROLLMENT

**February is the open enrollment period for the 1994 plan year. This is the only opportunity you will have to enroll in the Pre-Paid Legal Plan this year.**

Hundreds of state employees have used the Plan to get a will prepared, defend themselves against a traffic charge that could have resulted in the loss of their driver's license, or just to call a participating attorney for advice. State employees have a cost effective Plan that allows them to cover their legal needs. It is so affordable that you could well pay more on your own to have a simple will prepared than you will pay for the Plan over an entire year. In addition to will preparation, the Plan offers other legal benefits you may need. When was the last time you had an attorney review a contract before you signed it? What about when you bought a house or a car?

State workers are fortunate in that more than 800 Rhode Island attorneys participate in the Plan, and the Plan administrator, Midwest Legal Services, has more than 11,000 participating attorneys nationwide.

You can use any attorney of your choice. When using a participating attorney, your legal fees are paid in full — no co-payments or deductibles.

I encourage you to take a close look at the Pre-Paid Legal Plan. If you have questions about the Plan, please contact Midwest Legal Services at 1-800-247-4184.

### NATIONAL HEALTH CARE REFORM

In the December issue of **pRide**, we published an article on President Clinton's health care reform plan. The article was reprinted with permission from the Government Finance Officers Association's *Pension & Benefits Update*, Sept/Oct 3. The Article was very well received, and we have been asked to provide up-dated information on this most important subject that will ultimately affect every American. Accordingly, you will find elsewhere in this newsletter, an up-date on national health care proposals prepared by Cathie G. Eitelberg, Director of the Pension and Benefits Center, Government Finance Officers Association, Washington, D.C. I urge all of you to read this most comprehensive article.



# KEY HEALTH CARE PROPOSALS

by Cathie Eitelberg

Director, Pension & Benefits Center

Government Finance Officers Association, Washington, D.C.

The Health Security Act of 1993 was formally introduced on November 20th in the House (H.R. 3600) and Senate (S. 1757) with a total of 120 congressional co-sponsors. The President's bill contains a number of technical changes but retains the same approach as the earlier proposal released in September. Two principles drive the legislation — universal health care coverage and containment of health care costs. A number of competing health care reform bills that seek to revise the system through different approaches also have been introduced.

## PRESIDENT'S PLAN

State and local governments are the financial backbone of the Administration's \$331 billion health care reform proposal. They will be providing "backstop financing" by

- Capitalizing guarantee funds for regional alliances,
- Assuring the cash flow of regional alliances, and
- Providing employee coverage without a payroll cap.

Under the plan, universal coverage would be in place by 1998 through a combination of mandated employer-paid coverage, employee premiums, and federally subsidized coverage for the unemployed and working poor. Universal coverage, the President says, is the one aspect of the plan which is nonnegotiable. Costs are controlled by limiting premium growth; capping federal subsidies; and requiring most employers, including state and local governments, to purchase coverage through regional alliances. These alliances, which operate within state borders, act as brokers selling coverage directly to employees and negotiating premiums with health care providers.

The National Health Board, a federal agency, will administer the standard benefits package set out in the bill which all alliance health plans must provide, be they health maintenance organizations or traditional indemnity plans.

In more than 1,300 pages of the proposal there are several provisions of extreme interest to state and local government employers.

- **Mandatory Medicare** — Effective on October 1, 1995, at a cost of \$7 billion over 5 years, all state and local government employees must participate in Medicare. Past employment, even if not covered by Medicare, will count toward benefit eligibility.

**Impact:** Employers could recapture the increase in payroll taxes if Medicare benefits are integrated with other post-retirement medical benefits.

- **Part-time Workers Covered** — Employers must pay a pro-rated portion of premiums for workers who are employed between 10 and 30 hours per week.

**Impact:** An increase in benefit and administrative costs could result from covering part-time workers. An estimated one-third of part-time workers (15-20 hours per week) presently receive health care benefits according to the Bureau of Labor Statistics' *Employee Benefits in State and Local Governments* 1990 report.

- **Delayed Payroll Cap/Small Employer Subsidy** — The cap limiting employer premiums to 7.9 percent of payroll and the federal subsidy for certain employers with 75 or fewer employees will not apply to public employers until the year 2002. According to Administration estimates to

include state and local government employers under the cap prior to 2002 would cost \$20 billion. Moreover, the federal government has capped its financial obligation to fund premium subsidies for the poor and unemployed at \$274 billion.

**Impact:** Public employers will be the only group in the regional alliance that have an open-ended premium. The American Federation of State and Municipal Employees (AFSCME) estimates that more than half the states presently exceed the 7.9 percentage. Public employers therefore, will continue to pay higher percentages, in essence, an additional subsidy to help the federal government finance health care reform.

There is the potential that, when federal spending has reached the \$274 billion cap for paying the premiums of the unemployed and low income, additional funds to provide the subsidy may shift to state and local governments.

- **Self-Insurance Prohibited** — Federal, state and local governments are required to purchase employee health care coverage through a regional alliance. Self-insurance will no longer be an option nor could existing purchasing cooperatives and managed care arrangements continue to operate. Conversely, private-sector companies with more than 5,000 employees can continue to self-insure but would be assessed a 1 percent payroll tax to assist in the financing of regional alliances.

**Impact:** Elimination of self-insurance as a health care financing option will radically change how states and localities pay for employee coverage. More than half of medium-to-large governments, both states and localities, self-insure, according to a 1993 survey of more than 1,000 governments conducted by the Government Finance Officers Association. Moreover, a 1992 study of state plans by The Segal Company indicates that 34 were self-insured.

- **Employer Mandate** — Employers will be required to pay 80 percent of the average cost of the standard package, with employees picking up the remainder. Average annual premiums are estimated to be \$1,932 single and \$4,360 family. In addition, employees' out-of-pocket expenses are estimated to be \$1,500 single and \$3,000 family.

**Impact:** Data collected on 14.5 million state and local government workers indicate that more than 93 percent of full-time workers are covered by employer-provided health care benefits. Approximately 60 percent of employers fully finance single coverage, and about 30 percent cover all costs for family benefits. The Segal Company report indicates that only 21 states pay 80 percent or more of the total cost for employee-and-family coverage; therefore, more than half the states could be looking at increased premium costs.

The Segal report indicates that the average annual premium for single coverage in 1992 was \$2,030 and family \$4,500, very close to the Clinton estimates. A more careful look, however, reveals that 18 states pay more than the average for single coverage and 21 states pay above the average for families. Moreover, a comparison of benefits may reveal that public employers currently offer a more comprehensive benefit package than under the Clinton plan. This being the case, public employers could well be faced with pressure to continue to provide additional benefits.

- **Federal Subsidy for Early Retirees** — Individuals that retire between the ages of 55 and 65 may be eligible for a federal subsidy of up to 80 percent of health care premiums. To get this new benefit, the person must have accumulated enough quarters at the time of the early retirement to be eligible for Medicare at age 65 and meet certain income

(Continued on next page)



## OTD — A Special List

### **The Self-Made Leader**.....Fee \$75

In these complex times, change is a recurring event in all workplaces! Employees who possess a clear vision for themselves, and the flexibility to adapt that vision, are truly self-made leaders. In this exciting new course you will learn a variety of practical and valuable skills including: Analysis of your job skills — identifying the many things you do well and how to transfer these skills to a wide variety of new situations; Recognition of the work and life values you bring to the workplace and how to adopt a plan of action for activities which reflect these values; Understanding how seemingly vast differences in personality styles can be appreciated once we understand the reasons for our differences; Assessment of your problem solving style, and learn a broad array of new techniques for dealing with conflict. 5 Thurs. beginning March 3; 9 a.m.-12 noon; ½ credit. Instructor: Diana Donovan, M.Ed.

### **Stereotyping and Diversity: What Does Affirmative Action have to do With Me?** Fee \$35\*

This 15-hour course will focus on the goal of affirmative action and how the employment needs of protected classes affect all individuals. Participants will learn the laws and executive orders which direct affirmative action efforts; what the available resources are for addressing discriminatory acts in the workplace; become more sensitive to personal values and attitudes; and understand how values and attitudes affect the work performance of all individuals. The focus is on values and attitudes toward women, handicapped workers, and older workers. 5 Tues. beginning March 15; 9 a.m.-12 noon; ½ credit. Instructors: Geraldine Iadevaia, Mary Soares, Mary Deibler, Pat Ryherd, and Al Provencher. \*Sponsored by the Office of Training and Development in cooperation with the State Equal Opportunity Office, RI Commission for Human Rights, RI Commission on Women, and RI Services for the Blind and Visually Impaired/DHS.

### **Supervisory and Management Skills**.....Fee \$110

This 18-hour course designed for current supervisors and managers introduces participants to principles of sound supervisory and management practice. Topics include: assessment of supervisory styles; dealing with the difficult/troubled employee; strategies for motivating employees; and providing positive and negative feedback on employee performance. Course 1: 3 Mons. beginning February 28; Course 2: 3 Thurs. beginning May 26; All classes 9 a.m.-4 p.m., ½ credit. Instructor: Scott Mueller, M.S.W.

### **Legal Ethics, Attorney Discipline and the Ethics Advisory Panel**.....Fee \$20

This 2-hour program is designed to introduce attorneys in state and local government to the rules and procedures of the Supreme Court Disciplinary Board. Special emphasis is devoted to the rules of proper conduct that are most applicable to lawyers in government service. Common problem areas and complaint avoidance is discussed. Also included is a review of the roles, rules and procedures of the Ethics Advisory Panel. Fri. March 18; 8:30 a.m.-10:30 a.m. Instructor: David Curtin, J.D.

### **Survival Sign Language**.....Fee \$75\*

This 16-hour course provides basic skills to aid communication with hearing impaired individuals. You will learn many key sign phrases, as well as the manual alphabet. Effective techniques for working with interpreters is discussed. As with any language class, students must spend time outside of class committing vocabulary to memory and completing other assignments. \*Includes textbook. 8 Tues. beginning March 22; 1:00-3:00 p.m., ½ credit. Instructor: Linda Dugas.

**COMING SOON!! Second Annual Secretarial Conference** — Apr 25, 1994. Call 277-2178 for special brochure.

## KEY HEALTH CARE

(Continued from previous page)

thresholds. Beginning in 1998, a temporary (three year) assessment of a 50 percent tax would be levied on early retiree health care benefits presently provided by employers.

**Impact:** Public employers could have employees who are eligible for this benefit. Retiree health care programs differ widely among states and localities. In 1992, 19 states reported paying 100 percent of retiree health care costs while 13 contributed nothing. Therefore, there will be a wide swing in the financial impact of this provision depending on the jurisdiction's retiree medical benefits and the individuals Medicare participation history.

- **Elimination of Pre-tax Payment for Health Benefits through Flexible Plans** — Currently, employees who participate in a flexible benefit arrangement can pay for their portion of health care premiums on a tax-free basis. This option would be eliminated under the President's plan.

**Impact:** Employees and their representatives (unions) will likely place pressure on employers to shift payment of other benefits to flexible arrangements, demand wage increases to compensate for post-tax payment of health benefits or resist paying for more of their own medical costs. Flexible benefit arrangements are offered in 43 states and many localities.

### **OTHER POTENTIAL EFFECTS**

- Alteration of disability retirement benefits.

- Reduction in premium increases.
- Increased cost sharing with employees.
- Reduction in administrative costs because of limited role in managing employee benefits, selecting health care providers and supervising third-party claim administrators.
- Reduction in the importance of health care benefits in union negotiations because of standardization, reinstating wages as the major bargaining issue.

### **OTHER PROPOSALS**

Single-payer plans sponsored by Senator Paul Wellstone (D-MN) (S. 491) and Representative Jim McDermott (D-WA) (H.R. 1200) would finance universal coverage through a federal payroll tax. These revenues would then be distributed to the states to operate health plans (one per state) to provide health care to all.

Managed competition bills that do not mandate employers to pay for coverage were introduced by Senator John Breaux (D-LA) (S. 1579) and Representative Jim Cooper (D-TN) (H.R. 3222). These bills seek cost savings by banding small employers into large purchasing cooperatives that negotiate with state-chartered health care providers for coverage.

Health care reform will be debated throughout the 1994 congressional session with a potential for enactment prior to the November congressional elections.



# **United Health Plans of New England, Inc.<sup>SM</sup>**

*"Health Care Solutions Teamed  
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United Health Plans  
of New England, Inc.<sup>SM</sup>

## **Providing Excellent Service Throughout 1994!**

As an example of our commitment to excellent customer service, we have established service standards. We are proud to be the first managed care company in our area to establish service standards, and believe they will enable us to measure our performance effectively.

We are working to ensure efficiency and customer satisfaction, even before health reform mandates them, and believe our service standards will help to continue the high level of customer satisfaction United Health Plans enjoys. Here's how:

**Fast, Prompt Service:** All calls answered in an average of 30 seconds or less.

**Quick Resolution of Issues:** All calls resolved or responded to within 24 hours or less. All written inquiries responded to within 5 business days or less.

Meeting these standards is an important part of our job at United Health Plans. We remain committed to meeting and improving these service standards in 1994.